ANNOUNCEMENT TO THE AUSTRALIAN SECURITIES EXCHANGE: 10 FEBRUARY 2010

SCOPING STUDY CONFIRMS POTENTIAL FOR STRONG ECONOMICS ON HINTON COAL PROJECT

Highlights:

- ***Positive Scoping Study confirms development potential of the Hinton Coal Project***
- ***Potential for average pre-tax cash margins of approximately US$150 million per annum over mine life***
- ***Low operating cash costs averaging approximately US$48/t FOB Ridley over mine life***
- ***4.0Mtpa saleable (7.4Mtpa ROM) coal production over minimum 14 year mine life***
- ***Study based on open pit lowest strip ratio portion of 467Mt Coal Resource***
- ***Project to leverage underutilised rail and port infrastructure***
- ***Project development includes mine, infrastructure, processing plant and rail load-out***
- ***Potential upside from additional resources and efficiencies currently being assessed***
- ***Company to progress to feasibility studies***

*The Board of Coalspur Mines Limited ("**Coalspur**" or "**Company**") is pleased to announce the completion of a positive Scoping Study confirming the economic viability of the Company's wholly owned Hinton Coal Project ("**HCP**" or "**Project**") in Alberta, Canada.*

*The Scoping Study is based on the HCP Coal Resource estimate previously completed by the Company comprising 467 million tonnes ("**Mt**") of low sulphur, bituminous thermal coal, of which 90% is in the Measured and Indicated categories.*

*Coalspur retained Wardrop, a Tetra Tech company ("**Wardrop**"), to complete the Scoping Study, which is based on an annual production rate of 7.4Mtpa run-of-mine ("**ROM**") producing 4.0Mtpa saleable coal for a minimum 14 year mine life.*

The Scoping Study result confirms the potential for strong economics on the Project which has the capacity to generate pre-tax cash margins of approximately US$150 million per annum.

*Favourable geology, low strip ratios and existing infrastructure allow for low operating costs averaging US$46.80/t the first five years of production and averaging US$48.40/t free-on-board Ridley Island Coal Terminal ("**FOB Ridley**") over the life-of-mine ("**LOM**"). The costs are based on existing CN Rail haulage capacity and existing capacity at Ridley Island Coal Terminal at the Port of Prince Rupert .*

*The existing infrastructure has greatly reduced the Project's upfront fixed capital requirements, with Capex for the coal handling and process plant ("**CHPP**") and project infrastructure totalling US$185 million. Wardrop has allowed a further US$69 million for the Project's indirects, EPCM and Company costs during the development period.*

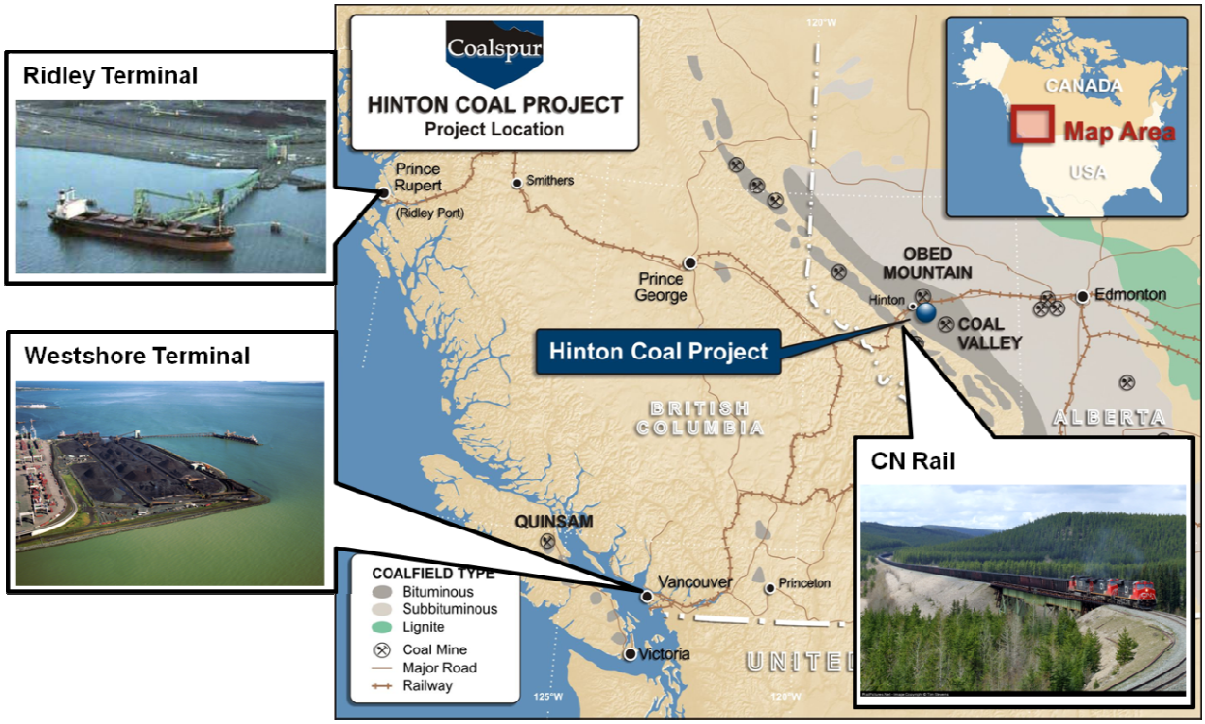

Figure 1: HCP Location

*The Scoping Study concentrated on the Hinton East and West regions of the HCP consisting of an area of 4,967ha. The Scoping Study did not include an additional 19,671ha in the Coalspur Project ("**CSP**") leases which are now being evaluated for additional coal resources.*

The Directors believe that the positive results of the Scoping Study are further testament to the potential scale of the Company's Hinton Coal Project. Mr Gene Wusaty, Managing Director and CEO, said "The fundamentals of this Project allow for low operating and infrastructure costs. In my experience it is rare to find a high quality coal project in such close proximity to extensive underutilised first world infrastructure".

"The exceptional results of this Scoping Study and present market forecasts clearly show the development potential for the Project. The next steps are to complete Coal Resource estimates on the Coalspur Project leases and incorporate them into a larger consolidated new mine plan. Once this is complete we plan to take the Project to the feasibility level".

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Introduction

Coalspur is pleased to report the results of the Scoping Study (the "**Study**") conducted on the Coal Resource estimate for the Company's wholly owned HCP, part of Company's coal lease position in Alberta, Canada (see Figure 2). The study was managed by Wardrop and included input from a number of recognised coal industry experts.

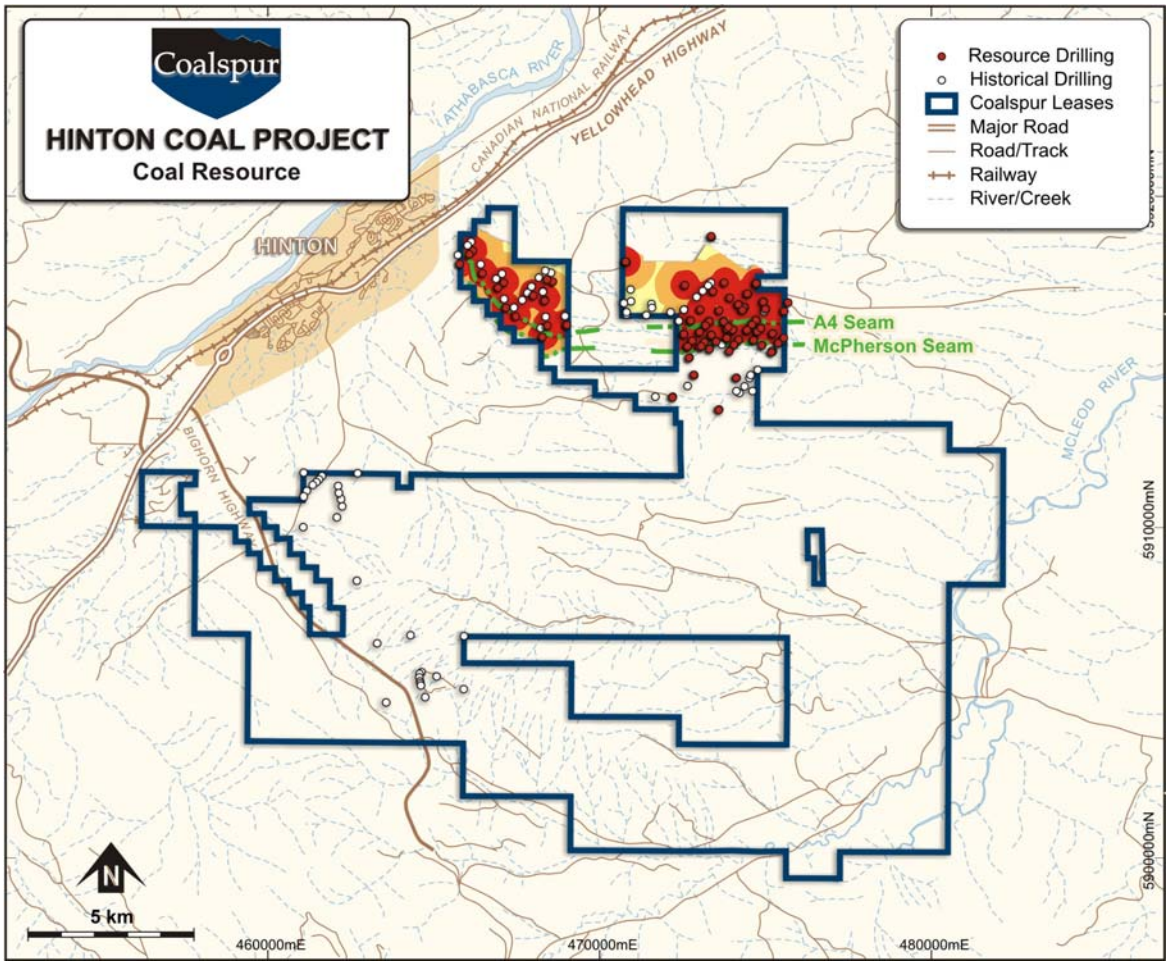

Figure 2: HCP Leases and Coal Resources

Project Enhancement Opportunities

The Study identified potential opportunities that could enhance the Project economics. During future studies the Company will focus on evaluating these opportunities identified which include:

- Updating the mine plan with additional Coal Resource estimates currently being delineated on the CSP leases. The Study currently focuses only on the HCP Coal Resource estimate which covers 4,967ha whilst the CSP covers an area of 19,671ha;
- Review the potential markets for the sale of the McLeod seam which is currently not included in the saleable mix and totals approximately 5.8Mt due to its high product ash content. Potential markets for this product include local power stations and cement manufacturers;
- Examine the use of a dragline in the mine plan for the potential of lowering operating costs and/or optimise the mining fleet; and
- Review the process yield of the coal seams post completion of the upcoming washability testing.

Scoping Study Parameters

The Study was completed using the following parameters:

Table 1: Scoping Study Parameters	
Mine Life	14 years (minimum)
Clean Coal Production Rate	4.0 million tonnes per annum ("**Mtpa**")
Run-of-Mine Coal Production Rate	7.4Mtpa
LOM Average ROM Strip Ratio	4.65 bank cubic metres ("**BCM**") : 1.0 tonne ROM coal
LOM Average Clean Strip Ratio	8.62 BCM : 1.0 tonne Clean coal
Clean Coal Yield	54%
LOM Average Coal Price	US$87/t
C$:US$ Exchange Rate	0.87 : 1

The key considerations in the Study were preferred mining plan, coal handling and processing method, scale, throughput rate, project life, operating and capital costs. The minimum life of the Project is 14 years, but has the potential to be significantly increased, the close proximity of the current Study mine plan to the potential resource areas of the CSP leases. The Study is therefore considered a base case scenario.

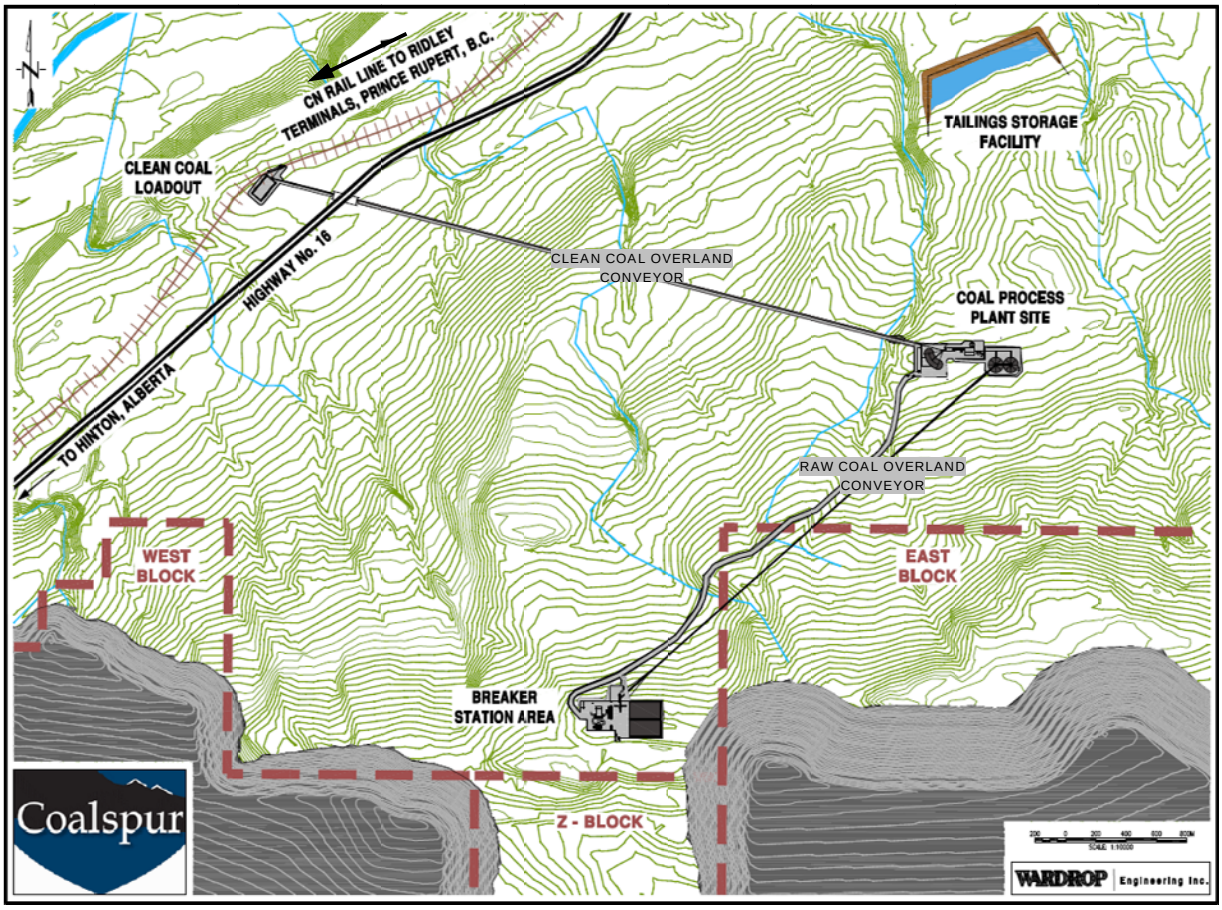

Figure 3: HCP Project Site Plan with Resource Limit

Operating Costs

The total operating cost per clean coal tonne produced in the initial years will be lower due to lower strip ratios in the initial years. In the first five years of production, the operating cost is estimated to be US$46.80 per clean coal tonne FOB Ridley. Over the current LOM the average estimated operating cost is US$48.40 per clean coal tonne FOB Ridley. The operating costs over the LOM are summarised in Table 2.

Delineation of further coal resources in the CSP is currently underway with a view to define additional low strip ratio coal tonnes. This has the potential to further enhance the economics of the Project by allowing increased production and a longer mine life to be considered.

Table 2: LOM Unit Operating Costs

Item	US$/t FOB Ridley
Coal and Waste Mining	21.3
CHPP	3.5
General and Administrative	0.9
Reclamation	0.9
Free-On-Rail ("FOR") Operating Costs	**26.6**
CN Rail Costs (Hinton - Prince Rupert)	17.4
Ridley Terminal Port Costs	4.4
FOB Prince Rupert Operating Costs	**48.4**

The Alberta royalty system comprises of a two tiered system with the first tier being a mine mouth royalty payable on 1% of mine mouth revenues from commencement of production. The second tier is a 13% royalty payable on mine mouth revenues less allowable operating expenses and is only payable after payback of the capital expenditure.

Capital Costs

Capital costs (determined to a nominal accuracy of +/-35% and in Q4 2009 dollars) for the CHPP and all other project infrastructure were estimated to total US$185 million with a further US$69 million attributable to project indirects including EPCM and owners costs. This brings the total Project's initial capital expenditure to US$254 million. The itemised costs are summarised in Table 3.

Table 3: Initial Infrastructure Capital Costs

Item	US$ million
Breaker Station & ROM Coal Stockpiles	13.9
Coal Washplant	30.7
Clean Coal Dryer Plant	18.4
Clean Coal Load-out	21.4
Overall Site	22.3
Belt Conveyors	56.6
CN Rail Siding	7.2
Miscellaneous Site	14.1
Infrastructure Capital Costs	**184.6**
Project Indirects	69.3
Total Initial Capital Costs	**254.0**

The capital cost of the initial mining equipment is US$151.6 million with a further US$71.3 million in sustaining capital costs for the mining equipment fleet over the LOM (+/- 35% nominal accuracy). The Company will be looking at leasing options for the mining equipment fleet and contract mining options and therefore these costs may not form part of the Project's initial capital expenditure.

In addition a provision for pre production costs in the first year of production has been estimated at US$19 million.

Coal Resources

The Coal Resource estimate has been based on considerable drilling and exploration activities undertaken on the Project by Esso in the 1980's and prepared by respected Canadian independent technical consultants and is reported in accordance with the JORC Code (2004) and National Instrument 43-101 ("**NI 43-101**").

Table 4: JORC Coal Resources

	Measured (Mt)	Indicated (Mt)	Measured & Indicated (Mt)	Inferred (Mt)	Measured, Indicated & Inferred (Mt)
Hinton East	210.8	85.3	296.1	43.1	339.2
Hinton West	87.6	37.9	125.5	2.6	128.1
Total Coal Resource	**298.4**	**123.2**	**421.6**	**45.7**	**467.3**

Coal Quality

MMTS have also undertaken an indicative assessment of coal quality based on historical core hole information which concluded that the Hinton Coal Project's final clean product could have the following characteristics:

Table 5: Hinton Coal Project Washed Clean Coal Quality

Coal Characteristic	Gross As Received	Air Dried Basis
Moisture	11.5%	4.5%
Ash Content	11.1%	11.9%
Volatile Matter	31.2%	33.7%
Fixed Carbon	46.2%	49.9%
Sulphur	0.3%	0.3%
Calorific Value	**5,758 kcal/kg**	**6,212 kcal/kg**

The above analysis on a gross as received basis assumes a stable moisture content of 11.5%. It is noted that further test work and engineering will be conducted during the scoping and feasibility studies to confirm these conclusions. Forecast yield is expected to be at least 54% and coal with the above qualities is generally suitable for export to the Pacific Rim market.

Mining

The Hinton project is similar to other Alberta foothills multi-seam coal mines and can be mined using a combination of dragline and truck and shovel methods. At the 7.4Mtpa ROM coal production rate used in the Study a large scale truck and shovel mining approach was chosen. Future opportunities include investigating the inclusion of a dragline in the mine plan.

At full capacity mine manpower estimates are at 255 which includes mine operations, mine maintenance, technical and senior management staff. The manning levels are based on the mine operating on two 12 hour shifts per day, 7 days per week. The mine is scheduled to operate approximately 360 days per year. The hourly manpower levels vary annually depending on the required equipment hours.

The relatively flat dips are conducive to large truck and shovel mining. The major equipment includes 50m^3 electric cable shovels, 236 & 136 tonne haul trucks and 311mm blast-hole drills. Mine support and mine maintenance fleets have also been scheduled. The mining approach is with conceptual 15m benches along the strike of the coal. Waste dumps are located within a 1.5km to 2.0km one-way haul distance. Opportunities exist in future optimization in pit design and back filling mined out areas.

The mine plan includes six mineable coal seams ranging from 0.7m to 7.7m in average thickness. The ROM coal is shipped to a breaker station located approximately 3.0km from the mine site from where it will undergo beneficiation to the final product. The mine maintenance and mine administration facilities are also located at the breaker station.

In a six month period prior to the start of ROM coal mining and CHPP operations approximately 10 million BCM of waste will be pre-stripped.

Coal Handling and Process Plant and Project Infrastructure

The plant was designed to produce 4.0Mtpa of clean coal per year on an as shipped basis. A heavy media plant has been chosen for the CHPP design. The current design is based on the available historical core sample analysis results, simulation work of raw coal size distribution, and the operating experience in the Coal Valley Mine's CHPP.

Figure 4 displays the conceptual process flowsheet developed by Wardrop whilst Annexure A provides technical drawings of the major project infrastructure and process plant.

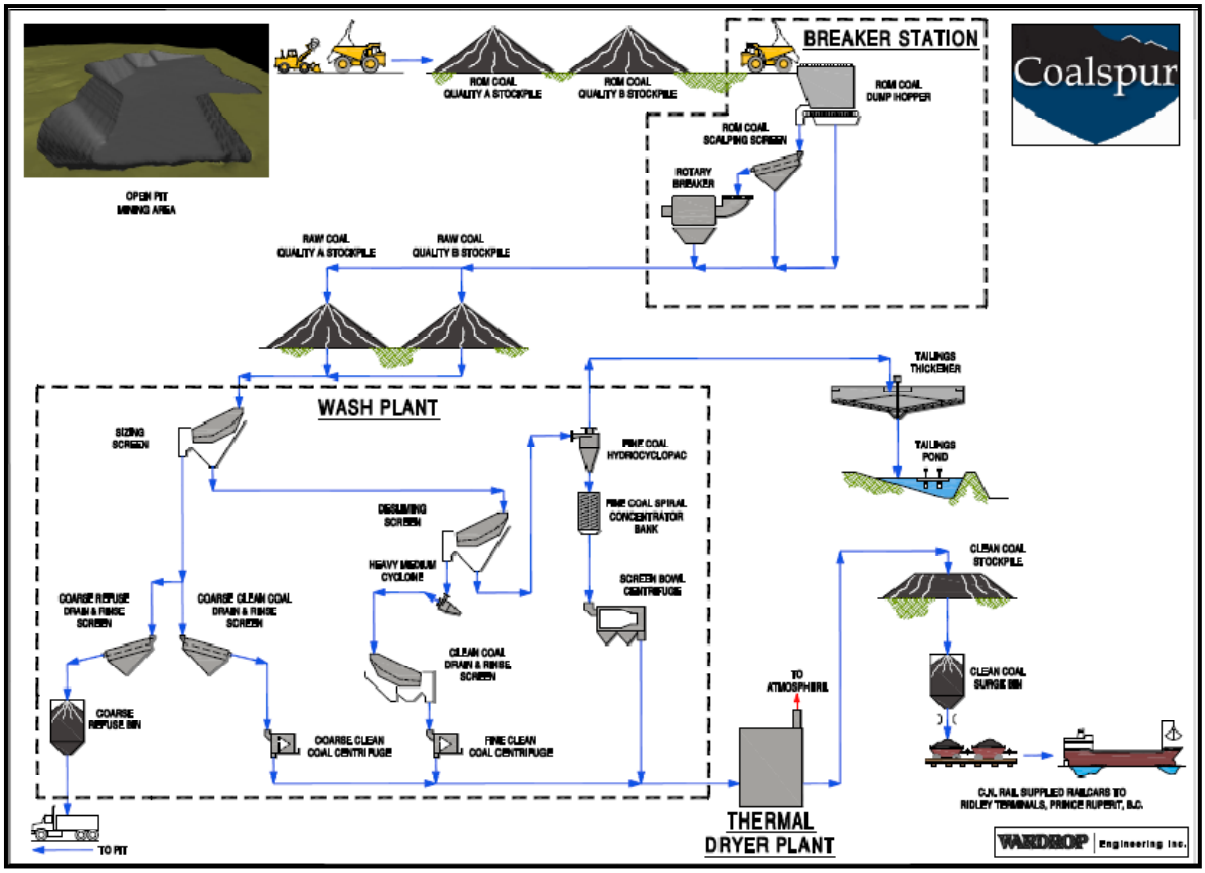

Figure 4: Conceptual Flow Sheet

Breaker Station

The ROM coal from the various seams will be transported from the mining area to the raw coal breaker station from where it will be fed into a hopper feeding a rotary breaker. The 150mm x 0mm material from the breaker station will report to the overland raw coal conveyor for transport to the plant site. See Figure A.1 for a diagrammatic representation of the breaker station.

Coal Process Plant

At the plant site, the crushed raw coal will be diverted to feed either Type I or Type II raw coal stockpile via a floppy gate. Each raw coal stockpile has been designed to have 80,000 tonnes of total capacity.

The raw coal from each stockpile will feed the same plant feed conveyor at a predetermined rate in order to provide a homogeneous feed to the process plant. The blended raw coal will be first classified at 12.7mm on single-deck banana type sizing screens. The coarse material of 150mm x 12.7mm will flow to heavy media vessels, together with the circulated magnetite heavy media. The floated coarse clean coal will overflow to the double-deck horizontal coarse clean coal drain and rinse screen to separate at 50mm and to recover the magnetite. The clean coal of 150mm x 50mm will be crushed in double roll crushers to a designed particle size of 50mm. The crusher discharge will report to the clean coal conveyor without further mechanical dewatering process. The clean coal sized 50mm x 12.7mm will be dewatered in the centrifugal dryers prior to be discharged to the same clean coal conveyor. The coarse reject material will also be drained and rinsed on the single-deck horizontal screens, and then report to the coarse reject bin via the coarse reject conveyor. From the bin the coarse reject material will be trucked and used for tailings dam construction.

The undersize material of 12.7mm x 0mm from sizing screens will be further classified at 1.5mm on the single-deck banana-type desliming screens. Materials of 12.7mm x 1.5mm will be discharged to a mixing box, where it will be mixed with the cyclone circulated heavy media. The mixed slurry will feed the heavy media cyclones at the required pressure. The heavy media cyclone overflow , as the small clean coal product, will be first feed the single-deck banana type drain and rinse screens to recover the magnetite particles, followed by a mechanical dewatering process in centrifuges. The dewatered small clean coal will report to the clean coal conveyor. The heavy media cyclone underflow, as the high SG rejects, will be drained, rinsed on screens, prior to being discharged to the small and final reject conveyor.

The desliming screen undersize of 1.5mm x 0mm will be collected in a pumpbox and pumped to a cluster of classifying cyclones. The classifying cyclone overflow, which will mainly consist of 0.15mm x 0mm material, will flow to the tailings thickener. The classifying cyclone underflow will be diluted with process water addition and feed the spiral concentrators. The spiral clean coal will be dewatered in the screen bowl type centrifuges and then discharged to the same clean coal conveyor. The spiral middling's will return to the classifying cyclone feed pumbox. The spiral tailings will be dewatered on a screen before report to the reject conveyor. The small and fine reject will be conveyed together to the small and fine reject stockpile with a total capacity of 1,350 tons. From there, the small and fine reject will be trucked to the tailings pond.

The coarse, small, and fine clean coal will be discharged to the same clean coal conveyor and then be conveyed to the thermal dryer plant. The combined clean coal will be fed to a clean coal feed bin and then dried in a fluid-bed type dryer. The furnace will use about 1.5% of the total dried clean coal as fuel material. The dryer plant will be also equipped with the efficient scrubber system to capture the solid particles in the flue gases. Process water will be used as scrubber spray, which will return to the tailings thickener for recycle. See Figure A.2 for a diagrammatic representation of the CHPP.

Clean Coal Rail Load-out

The dried clean coal at total moisture of 11.5% will be discharged to the covered conveyor and then being transferred to a clean coal overland conveyor from the plant site to the clean coal stockpile in the rail load-out area. The clean coal stockpile has been designed with a 20,000 tonne live capacity. The stockpiled clean coal will be loaded onto the train at the required speed using belt feeders. An emergency clean coal stockpile will be located at the dryer plant site with a total capacity of 75,000 t. Clean coal from the emergency stockpile will be reclaimed by dozer traps to the transfer conveyor and then to the overland clean coal conveyor. See Figure A.3 for a diagrammatic representation of the rail load-out.

Community and Employment

The Company will be working closely with key stakeholders, including the local communities and relevant authorities, in all aspects of the Project. The Company currently estimates that an ongoing workforce of approximately 363 will be required to operate the Project.

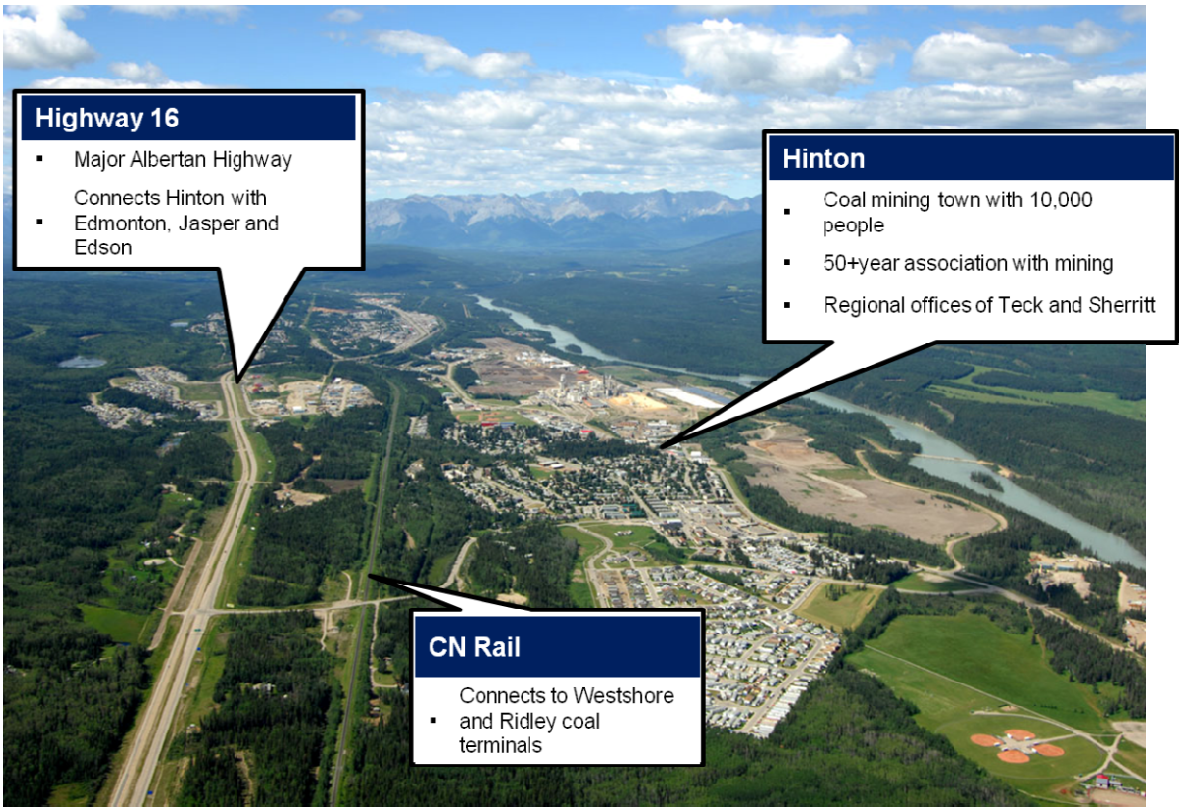

Figure 5: Town of Hinton

Employees will be largely sourced from the local community and elsewhere within Alberta and Canada, which has long established coal mining experience.

Permitting

The Project will be required to undergo an extensive, four-stage regulatory and environmental assessment application and review process, as mandated by the Alberta Environmental Protection and Enhancement Act. The process involves public disclosures, mine permitting and processing plant approval, mine licensing, and Water Resources Act approvals.

Competent Person Statements

- ***Wardrop Engineering Inc.:***

The information in this report that relates to process capital costs and associated infrastructure is based on information compiled by Mr. Kevin Souza, who is a Member of the Association of Professional Engineers and Geoscientists of British Columbia. Mr. Souza is a full-time employee of Wardrop Engineering Inc., who are consultants to Coalspur. Mr. Souza has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code). Mr. Souza consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to economic financial analysis is based on information compiled by Mr. Miloje Vicentijevic, who is a Member of the Association of Professional Engineers, Geologists and Geophysicists of Alberta. Mr. Vicentijevic is a full-time employee of Wardrop Engineering Inc., who are consultants to Coalspur. Mr. Vicentijevic has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code). Mr. Vicentijevic consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to coal testing review, mineral processing, and process operating costs is based on information compiled by Ms. Ting Lu, who is a Member of the Association of Professional Engineers and Geoscientists of British Columbia. Ms. Lu is a full-time employee of Wardrop Engineering Inc., who are consultants to Coalspur. Ms. Lu has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code). Ms. Lu consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

- ***Moose Mountain Technical Services:***

The information in this report that relates to Coal Resources is based on information compiled by Mr. Robert J. Morris, who is a Member of the Association of Professional Engineers, Geologists and Geophysicists of Alberta and a Member of the Association of Professional Engineers and Geoscientists of British Columbia. Mr. Morris is a full-time employee of Moose Mountain Technical Services, who are consultants to Coalspur. Mr. Morris has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code). Mr. Morris consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to mining, mining capital, and mine operating costs is based on information compiled by Mr. Jim H. Gray, who is a Member of the Association of Professional Engineers, Geologists and Geophysicists of Alberta. Mr. Grey is a full-time employee of Moose Mountain Technical Services, who are consultants to Coalspur. Mr. Grey has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code). Mr. Grey consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Annexure A: Technical Drawings

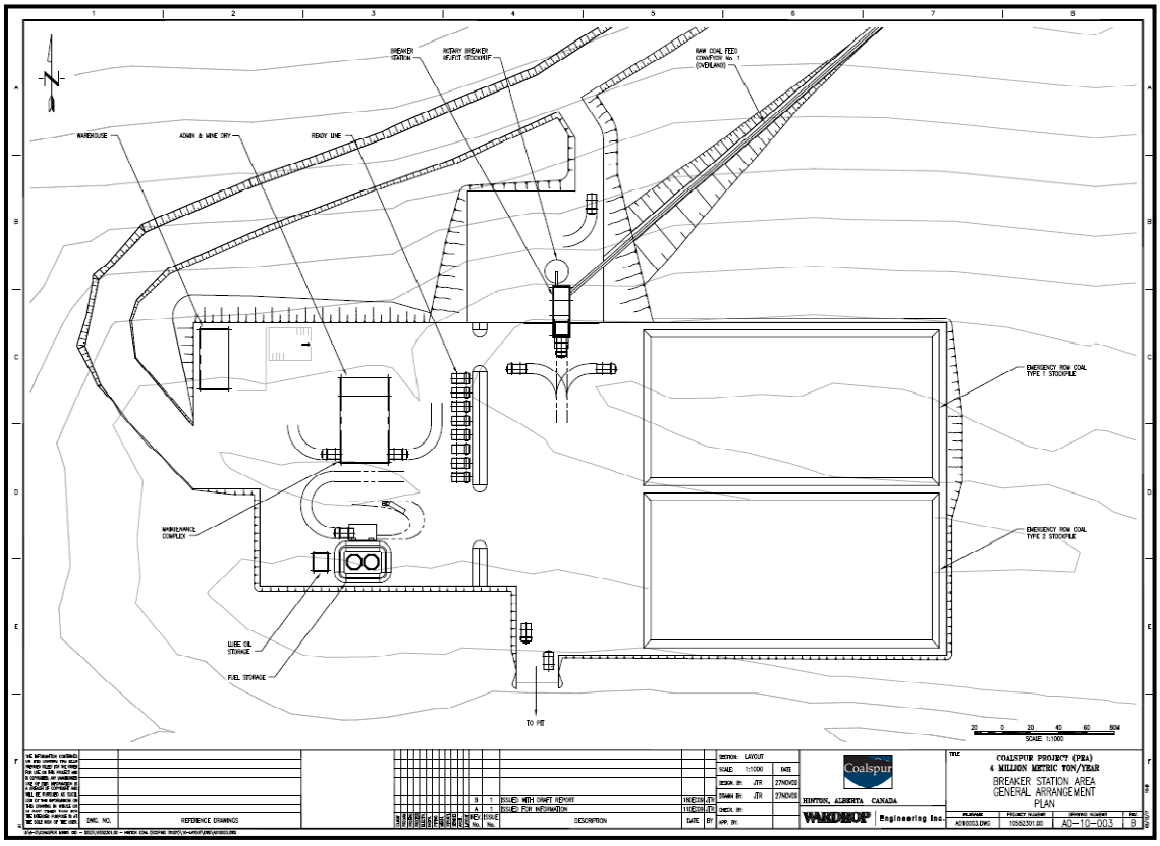

Figure A.1: Breaker Station

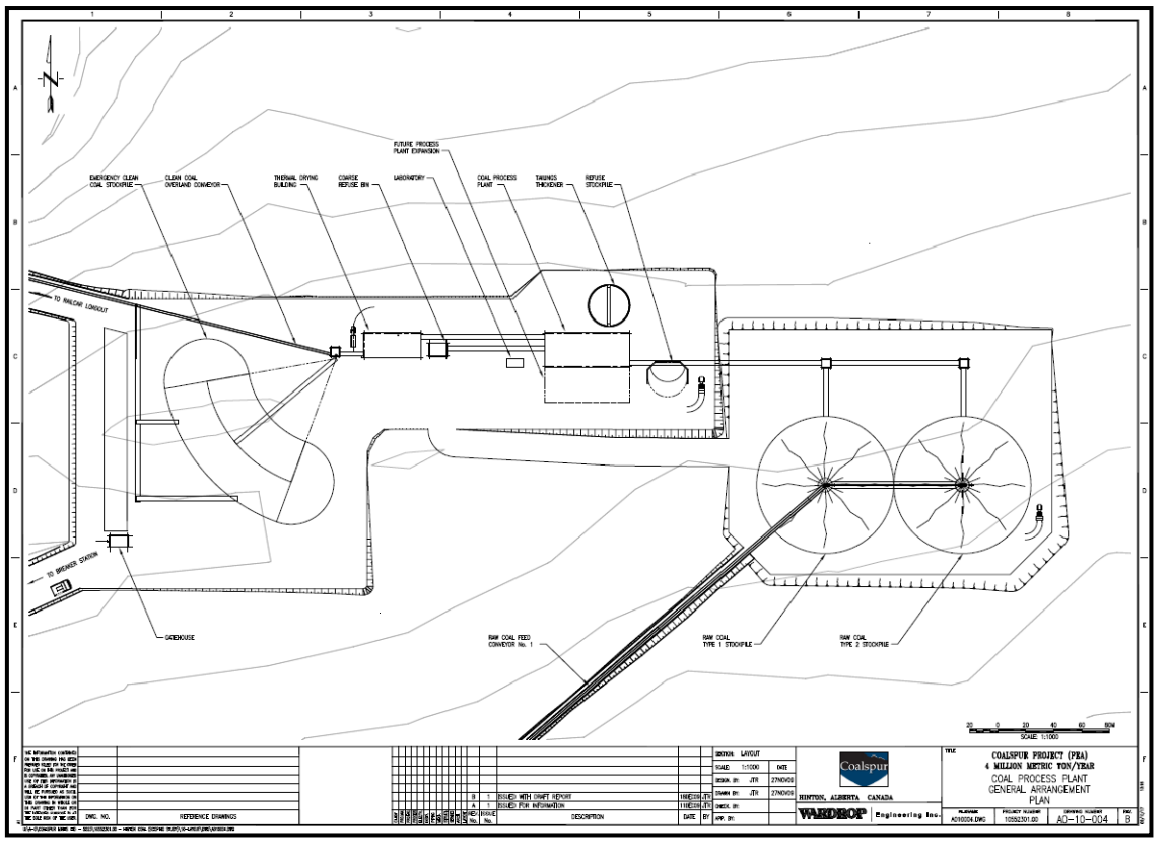

Figure A.2: Coal Handling and Process Plant

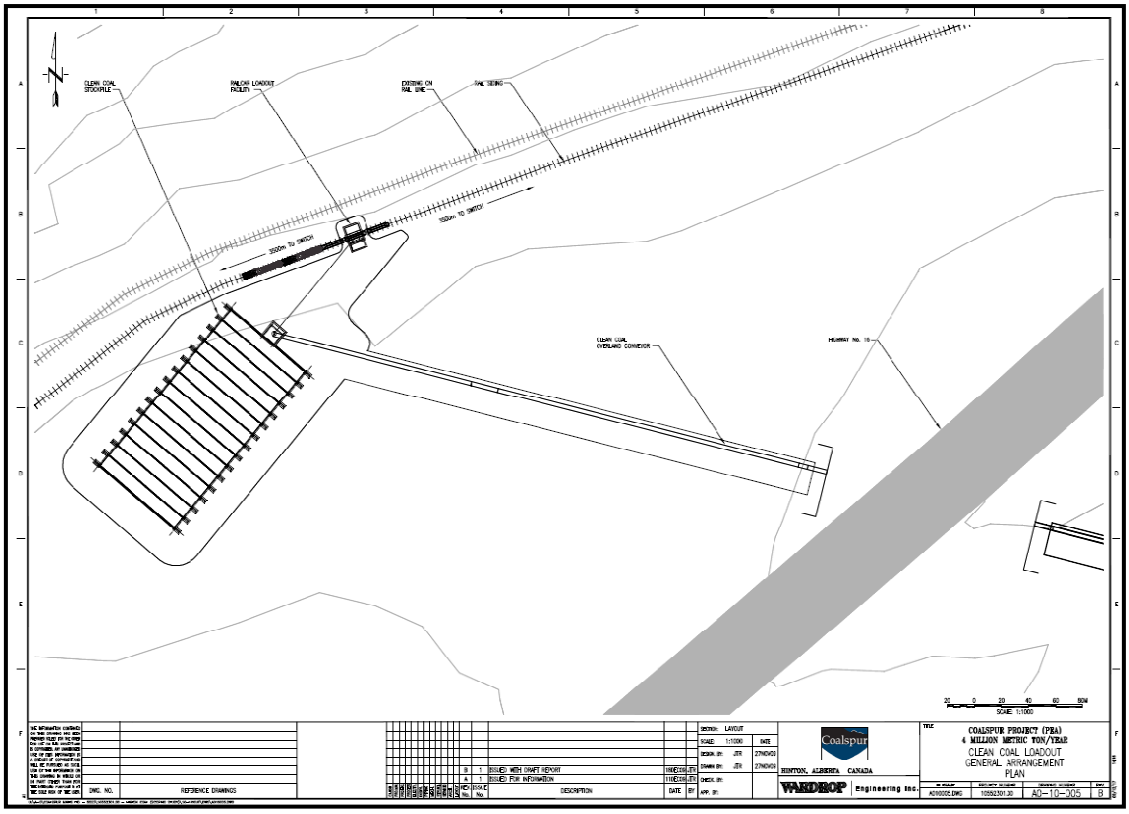

Figure A.3: Coal Rail Load-out and Clean Coal Storage Facility